

SB

26

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FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT

MAY 14 2003

DATE: 3/26/03

FURTHER: SENATE FINANCE COMMITTEE

DATE TURNED IN TO OFFICE: 14 May 2003

Finance Committee considered

SENATE BILL NO. 26

SB 26 STATE EMPLOYEES CALLED TO MILITARY DUTY

"An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date."

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS SB 26 (STA)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
All	3/26/03	*		#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	DO NOT PASS	NO REC	AMEND
<i>Kevin L. Taylor</i>	✓			
<i>Ben Starnes</i>	✓			
<i>Ben Starnes</i>	✓			
<i>Ben Starnes</i>	✓			
COCHAIR: <i>Lynne Green</i>	✓			
COCHAIR: <i>Gary Hill</i>	✓			

CS FOR SENATE BILL NO. 26(STA)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 3/26/03
 Referred: Finance

Sponsor(s): SENATORS ELTON AND TAYLOR, Wilken, Davis, Lincoln

A BILL
 FOR AN ACT ENTITLED

1 "An Act relating to state employees who are called to active duty as reserve or auxiliary
 2 members of the armed forces of the United States; and providing for an effective date."

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

4 * Section 1. AS 39.20 is amended by adding a new section to read:

5 Sec. 39.20.345. Continuation of pay and benefits for certain members of
 6 the reserve and auxiliary units of the armed forces. (a) Notwithstanding any
 7 contrary provision of law, the governor, through the issuance of an administrative
 8 order, may authorize state employees who are members of a reserve or auxiliary
 9 component of the armed forces of the United States, including the organized militia of
 10 Alaska, consisting of the Alaska National Guard, the Alaska Naval Militia, and the
 11 Alaska State Defense Force, and who are called to active duty by the appropriate state
 12 or federal authority to continue to receive the equivalent of their state compensation
 13 and some or all of their state benefits.

14 (b) The Department of Administration shall implement an order issued by the

1 governor under this section. The Department of Administration may adopt emergency
2 regulations to implement an order issued by the governor under this section, including
3 regulations regarding the scope of compensation and benefits and any allocation
4 between the state and the state employee of contributions relating to the benefits.

5 Emergency regulations adopted under this section

6 (1) are not subject to AS 44.62 (Administrative Procedure Act); and

7 (2) take effect immediately unless the Department of Administration
8 specifies another date.

9 (c) In this section, "benefits" includes credited service in a state retirement
10 system, membership in the supplemental employee benefits system under
11 AS 39.30.150 - 39.30.180, and group life and health insurance provided under
12 AS 39.30.090 - 39.30.095 or under a collective bargaining agreement.

13 * Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to
14 read:

15 APPLICABILITY. Until a collective bargaining agreement in effect on the effective
16 date of this Act expires, this Act applies to state employees covered by that collective
17 bargaining agreement only if that agreement is modified to accept the provisions of this Act.

18 * Sec. 3. The uncodified law of the State of Alaska is amended by adding a new section to
19 read:

20 RETROACTIVITY. This Act is retroactive to September 11, 2001.

21 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 26
(S) Publish Date: 3/26/03

Revision Date/Time (Note if correction): _____ Dept. Affected: All
Title "An Act relating to state employees BRU _____
who are called to active duty..." Component _____
Sponsor Ellon/Taylor Component No. _____
Requester _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2003) cost: _____
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
Current year funding requirements are unknown at this time.
Out year funding is indeterminate. There is no way to predict the number of emergencies for which an Administrative Order under the proposed legislation might be considered.

Prepared by: David Stewart Phone 465-4431
Division: Division of Personnel Date/Time 3/25/03 1:10 PM
Approved by: _____ Date 3/25/2003
Agency: _____

Alaska State Legislature

Senator Robin Taylor



Senator Kim Elton

MEMORANDUM

DATE: March 27, 2003

TO: Senator Gary Wilken, Co-Chair
Senator Lyda Green, Co-Chair
Senate Finance Committee

FROM: ~~Senator Kim Elton~~ and Senator Robin Taylor

SUBJ: Hearing Request for SB 26, an Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date.

We respectfully request a hearing for SB 26, allowing the governor to ensure that state employees who are members of reserve and auxiliary military units, including the Alaska National Guard, Alaska Naval Militia, and the Alaska State Defense Force will not be financially penalized while on active duty. These courageous Alaskans could continue to receive the equivalent of their state salaries, and some or all of their state benefits.

Governor Frank H. Murkowski has recently confirmed that members of the Alaska Air National Guard's 176th Wing have received federal activation and deployment orders to participate in ongoing operations in support of Operation Enduring Freedom.

More than 150 members of the Alaska Air Guard were activated for a period of up to 12 months. Their deployment date has not been determined.

SB 26 allows the governor to continue health benefits for the families of these dedicated men and women.

We ask that you hear SB 26 at your earliest convenience.

Alaska State Legislature

Senator Robin Taylor
Chair, State Affairs



Senator Kim Elton
Minority Whip

SB 26 Sponsor Statement

"An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date."

This measure allows the Governor to ensure that state employees who are members of reserve and auxiliary military units, including the Alaska National Guard, Alaska Naval Militia, and The Alaska State Defense Force will not be financially penalized while on active duty. These courageous Alaskans could continue to receive their state salaries, or the equivalent, and some or all of their state benefits.

This is the right thing to do for our reserve and auxiliary service members who are called to active duty. The governors of many other states already possess this authority. Alaska should join their ranks.

This authority would be discretionary and triggered by an order of the governor. We do not anticipate a governor would invoke this provision for a short-term mobilization of the National Guard for, say, disaster assistance. We would expect that it generally would be invoked only for large-scale activations such as those we have seen recently across the country. The intent of the bill is that state employees called to active duty should not be financially harmed.

We urge your prompt and favorable action on this measure.

Alaska State Legislature

Senator Robin Taylor
Chair, State Affairs



Senator Kim Elton
Minority Whip

SB 26 Bullet Points

“An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date.”

- Governor **may** authorize by administrative order for state employees who are called to active duty to continue to receive state compensation and some or all of their state benefits.
- Department of Administration **may** adopt emergency regulations to implement order issued by governor.
- Not subject to AS 44.62 (Administrative Procedure Act) because they are meant to be immediate and of limited duration.
- Retroactive to September 11, 2001.
- We don't anticipate emergency regulations providing full salary, just benefits and any difference between active duty pay and state salary.
- Soldiers' families keeping health insurance.

March 25, 2003

Paula,

First, thanks to Senator Elton for sponsoring, with Senator Taylor, this very important bill. Per your request, my comments to the legislature follow for your review.

Julie Benson's Testimony to the State Affairs Committee on March 25th

Mr. Chairman and members of the committee. I know you are busy during this session and I want to sincerely thank you for hearing SB 26. My name is Julie Benson and I am married to a State Trooper and Air National Guardsman. This bill is important to us both individually and as a family. My husband, Adam, originally planned to testify today but, as frequently happens, was called to work on his day off.

My husband has been a Trooper for 4 years and we are currently stationed in Ketchikan. We have one daughter with another child due in July. My husband is a US Army trained helicopter pilot and left full time military service to pursue his dream of living in Alaska where he had been stationed. Upon leaving the Army, Adam joined the Alaska Air National Guard as a KC135 crew chief. Last year, after the tragic events of September 11th, Adam was activated for 6 months during Operation Enduring Freedom and spent time in the Middle East last summer.

I would like to help you understand that SB 26 is essential legislation for state employees who make the difficult choice to serve not only their state, but also their country. When my husband was activated last summer, our benefits through his employment as a trooper were immediately discontinued. This resulted in lost retirement contributions, as well as the loss of certain pay raises he would have received had he remained employed by the state. Adam and I feel that any loss of pay and benefits due to activation is just not right.

The individuals who choose to perform service to their country as well as their state are exemplary public servants and should not be penalized by the state, especially at a time of significant national crisis. These people are federal and state servants because they choose to be, not because they have to be.

My husband is a unique individual who feels compelled to serve in every aspect of his professional life. When he left the Army, there was never a question of whether or not he would continue to serve his country. He immediately joined an active air guard unit that is frequently deploying its members worldwide. Though we understood the potential sacrifice of this decision, it was never up for debate. Civil service is what Adam is all about. And despite the family compromises that we make, I am so thankful for men and women like my husband and I am proud to be his wife.

The passage of this bill is the right thing to do. Under current state policy, the men and women who are called to serve are punished by their employer, the State of Alaska. I doubt that the passage of this bill will change any of their decisions to continue their voluntary military service. It's just what they do because it's the right thing for them to do. The right thing for the rest of us to do is to use every avenue available, to support them as they, and their families, make incredible sacrifices to protect and defend.

Please support the men and women who choose to serve our great nation and our great state by supporting SB 26. I'm happy to answer any questions you may have for me. Thank you for your time.

As my testimony indicates, my family was significantly affected last year when my husband was called to active duty. He lost pay in addition to state retirement and health benefits. SB 26 would correct what we believe is wrong with the state's current treatment of employees who are called to serve their country.

As stated in my testimony, if you have any questions for me or my husband, please feel free to contact us via email or by phone at 225-0328. Thank you again for your work on this bill.

Julie Benson

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State workers called to military duty will keep regular pay

By The Associated Press
February 23, 2003

NASHVILLE - State workers called to active military duty with the National Guard or Armed Forces Reserves will continue to get paid the same salary they make in their civilian jobs, under an executive order signed Saturday by Gov. Phil Bredesen.

"Signing this document is the least that we can do for hard-working state employees, Guardsmen, Reservists and their families," Bredesen told more than 500 people at the 74th Annual Conference of the National Guard Association of Tennessee.

Shortly after the speech, Bredesen took a plane to Washington, where he is attending the National Governors' Association meeting.

The executive order renews a pledge by former Gov. Don Sundquist that was set to expire March 11.

It requires government agencies and departments to extend military leave and provide offsetting pay to state employees whose active-duty wages are less than their normal salary.

For example, if an employee normally earning \$2,619 a month - the average government salary - is called to active duty making only \$2,100 a month, the state will pay \$519 a month. The benefit is capped at \$1,000 a month.

Bredesen also encouraged private employers to supplement pay of their workers who are deployed.

"Guardsmen and Reservists already have given so much," Bredesen said. "They should not have to sacrifice financially in order to defend our freedom and security."

An estimated 480 state employees were members of the Tennessee Army and Air National Guards in January 2002, the most current number available from the Department of Personnel. An unspecified number serve in the Armed Forces Reserves.

The Tennessee National Guard now has more than 2,200 members on active duty.

It was unclear how many state workers have been called to duty.

Bredesen said he will keep renewing the new order as long as the nation is at a high risk of war.

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States Act To Protect Citizen Soldiers' Income

Pamela M. Prah, Staff Writer

Stateline.org

April 1, 2003



While pressed for cash, several states are acting to make sure National Guard troops and reservists called on to fight against Iraq or terrorism don't lose out financially.

Florida, New York, Tennessee and Virginia recently acted to assure that state employees don't get less income while they are on active duty. Connecticut went farther by also guaranteeing health care coverage for activated state workers. New York is offering the most generous package. It includes health care, pay differential and tuition breaks.

Despite facing some of the most wrenching budget decisions in decades, state leaders are choosing to put the welfare of those serving in uniform – and their families – as a top priority.

"What we've seen since September 11 is that many states and municipalities recognize the sacrifices that especially the Guards make, since it's the National Guard troops who are called up for Homeland Security" said John Goheen, spokesman for the National Guard Association of the United States.

"They [states and municipalities] want to step up and want to improve benefits and provide more as a means for recruiting and retention and as a way to thank the National Guard for their sacrifices," Goheen said. His Washington, D.C. –based association represents National Guard members.

"While we applaud those states and municipalities that have offered up pay differentials, we certainly understand that some states and municipalities just can't do it because the only way they could do it is to cut someplace else."

John Goheen, National Guard Association of the United States

Many cash-strapped states may find it difficult to offer generous pay and health care benefits for reservists and their families. Collectively, the states deficits will be nearly \$90 billion in fiscal 2004, according to the National Association of State Budget Officers.

"It's tough times for the states," Goheen said. "While we applaud those states and municipalities that have offered up pay differentials, we certainly understand that some states and municipalities just can't do it because the only way they could do it is to cut someplace else," Goheen said.

Federal law requires that employers -- including states and municipalities -- keep the same or similar jobs, pay and benefits waiting for employees who are away on military duty. But employers are not required to pay workers while they are serving.

The cost of such programs is hard to determine in advance since states often don't know how many Guard members and reservists will be called up. Generally, however, state employees in the National Guard or the National Guard Reserves number in the hundreds, not thousands. Virginia figures it will cost the state about \$600,000 a year to make up the pay difference for the 200 state employees currently deployed, said Ellen Qualls, spokeswoman for Virginia Gov. Mark R. Warner (D).

"It's more common now than it ever was for employers to be providing some kind of differential pay, if not a continuation of pay, and some kind of health benefits, if not an expansion of health benefits, for their Reservists and Guard members," said Lt. Colonel Vince Savoia, a spokesman for the Employer Support of the Guard and Reserve (ESGR), a Department of Defense agency that helps employers understand troop and reservists' rights.

California, Delaware, Kansas, New Jersey, Ohio, Oklahoma, West Virginia, Washington and Wyoming are among the states that have policies that expand pay differential and/or medical coverage for state Reserve and National Guard members called to active duty, according to ESGR.

Connecticut, New York and Virginia have all enacted measures in March that go beyond the Uniformed Services and Employment and Reemployment Rights Act of 1994, the federal law that mandates job protections for reservists.

"It's more common now than it ever was for employers to be providing some kind of differential pay, if not a continuation of pay, and some kind of health benefits, if not an extension of health benefits, for their Reservists and Guard members."

Lt. Colonel Vince Savoia, Employer Support of the Guard and Reserve

The most sweeping proposal comes from New York Gov. George E. Pataki (R) who outlined his "Patriot Plan" in early March and is implementing provisions of it via executive orders, with the most recent March 24.

Pataki's executive orders ensure the following for all military personnel, not just state workers:

- continued health care coverage while on active duty
- automatic renewal of their drivers' licenses
- free passes to family members to state parks and beaches
- free high-speed Internet access at state colleges and universities for families to contact their enlisted relatives

Other components of Pataki's proposed plan require state lawmakers' approval, such as giving free college tuition to children and spouses of New York military personnel killed on duty. An estimated 4,000 New York National Guard troops are on state and federal active duty, the governor's office said.

Connecticut Gov. John G. Rowland signed legislation March 27 extending health care and providing pay differential for state employees called to active duty while Virginia Gov. Warner signed an executive order March 26 providing pay differential.

In Indiana, state Rep. Jeff Espich (R) plans to introduce a measure ordering the state to make up any difference in pay for state workers, according to Espich spokeswoman Karen L. Howe.

Forty-one percent of reservists reported they lost money when called to active duty compared to 29 percent who said they got a pay boost, according to a recent survey of reservists by the General Accounting Office, a federal watchdog agency.

Private employer also have acted voluntarily to provide more pay and benefits, according to the ESGR. The employers include American Express, Boeing Co., Coca Cola, Ford Motor. Co., Hewlett Packard, Miller Brewing Co., Sara Lee, United Parcel Service and Xerox.

Contact Pamela M. Prah at pprah@stateline.org

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Issues to Watch

States to Watch

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 1/21/03

FURTHER: Finance

Date of 5-Day Notice: 3/13/03
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/26/03

State Affairs Committee considered SENATE BILL NO. 26

SB 26 STATE EMPLOYEES CALLED TO MILITARY DUTY

"An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 26 (STA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

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

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
APM/ALL Depts	3/25/03	XXXX		1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:		DO PASS	DO NOT PASS	NO REC	AMEND
Cowdery	<i>John J. Cowdery</i>	✓			
Hoffman	<i>[Signature]</i>	✓			
Dyson	<i>[Signature]</i>	✓			
Guess	<i>[Signature]</i>	✓			
G. Stevens	CHAIR: <i>[Signature]</i>	✓			

