

SB 125

FREE

CONF.

COMM.

SFIN

FILE

Analysis of Changes
FCC CS SB 125 vs. HCS CSSB 125(FIN)

Feb 29, 2008

| FCC CS SB 125 (Ver R) | | HCS CSSB 125(FIN) |
|-----------------------|---|----------------------------|
| Bill Section | Change | Corresponding Bill Section |
| Title | <ul style="list-style-type: none"> No Change | Title |
| Sec. 1 | Intent Language <ul style="list-style-type: none"> Adds intent language to clarify that the legislature intends to provide grants to the "Heroes" and "Hard Harmless" employers through a separate appropriation vehicle \$13.261 Mill currently in the SB256 FY08 Supplemental Budget to accomplish this. | N/A - New |
| Sec. 2 | AS 09.17.070 <ul style="list-style-type: none"> Drafting change - codify language that was written as uncodified in Sec. 27 of the current version of the bill. Language deals with handling of damage awards | Sec. 27 - Modified |
| Sec. 3 - 4 | AS 14.25.070 & AS 14.25.085 <ul style="list-style-type: none"> No Change | Sec. 1 - 2 |
| Sec. 5 | AS 14.25.087 <ul style="list-style-type: none"> Adds SB 123 conforming language to clarify that medical contributions shall be deposited in the Alaska Retiree Health Care trust | Sec. 3 - Modified |
| N/A | <ul style="list-style-type: none"> Passage of SB 123 makes this section unnecessary | Sec. 4 - Deleted |
| Sec. 6 - 8 | AS 14.25.220, AS 14.25.350(d), AS 39.35.100 <ul style="list-style-type: none"> No Change | Sec. 5 - 7 |
| N/A | AS 39.35.115 <ul style="list-style-type: none"> Passage of SB 123 makes this section unnecessary | Sec. 8 - Deleted |
| Sec. 9 - 10 | AS 39.35.125(a), AS 39.35.160(c) <ul style="list-style-type: none"> No change | Sec. 9 - 10 |
| Sec. 11 | AS 39.35.255 <ul style="list-style-type: none"> Changes the payroll "floor" used in calculations from FY07 to the FY08 fiscal year Change required due to 1-year delay of bill passage. | Sec. 11 - Modified |

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| Bill Section | Change | Corresponding Bill Section |
| Sec. 12 | AS 39.35.280 <ul style="list-style-type: none"> No Change | Sec. 12 |
| Sec. 13 | AS 39.35.282 <ul style="list-style-type: none"> Adds SB 123 conforming language to clarify that medical contributions shall be deposited in the Alaska Retiree Health Care trust | Sec. 13 |
| N/A | <ul style="list-style-type: none"> Passage of SB 123 makes this section unnecessary | Sec. 14 - Deleted |
| Sec. 14 | AS 39.35.520(a) <ul style="list-style-type: none"> No Change | Sec. 15 |
| Sec. 15 | AS 39.35.610 (b) <ul style="list-style-type: none"> Bill section changed to conform with language previously adopted in SB 123 | Sec. 16 - Modified |
| Sec. 16 | AS 39.35.615 (a) <ul style="list-style-type: none"> No Change | Sec. 17 |
| N/A | AS 39.35.615 (l) <ul style="list-style-type: none"> Subsection was repealed in SB 123 | Sec. 18 - Deleted |
| N/A | AS 39.35.620 (h) <ul style="list-style-type: none"> Subsection was repealed in SB 123 | Sec. 19 - Deleted |
| Sec. 17 | AS 39.35.615 (i) <ul style="list-style-type: none"> New subsection (i) which contains relevant language from subsection (l) repealed in SB 123 | N/A – New |
| Sec. 18 | AS 39.35.620 (k) <ul style="list-style-type: none"> New subsection (k) which contains relevant language from subsection (h) repealed in SB 123 | N/A – New |
| Sec. 19 | AS 39.35 <ul style="list-style-type: none"> Changes the payroll “floor” used in termination cost calculations from FY07 to the FY08 fiscal year Change required due to 1-year delay of bill passage. | Sec. 20 - Modified |

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Feb 29, 2008

| FCC CS SB 125 (Ver R) Bill Section | Change | HCS CSSB 125(FIN) Corresponding Bill Section |
|---------------------------------------|---|---|
| Sec. 20 - 21 | AS 39.35.650 and AS 39.35.680 <ul style="list-style-type: none"> • No Change | Sec. 21 - 22 |
| Sec. 22 | AS 39.35.725(a) <ul style="list-style-type: none"> • Updates "Catch up" provision to remove statutory references that where in conflict between SB 123 and SB 125. • "Catch up" provision dealt with elected officials participating in the PERS Defined Benefit Plan | N/A - New |
| Sec. 23 | AS 39.35.750(d) <ul style="list-style-type: none"> • No Change | Sec. 23 |
| Sec. 24 | Repeals <ul style="list-style-type: none"> • Modifies current Repealer section to conform with SB 123 | Sec. 24 - Modified |
| N/A | Conditional Repeals related to SB 123 <ul style="list-style-type: none"> • Section no longer necessary due to the passage of SB 123 | Sec. 25 - Deleted |
| N/A | Transition Language <ul style="list-style-type: none"> • Removes FY 09 - FY 12 hold harmless contribution rates for those PERS employers whose FY 09 board adopted rate is currently below 22% • Legislature intent is to provide grants to the "Heroes" and "Hard Harmless" employers through a separate appropriation vehicle • \$13.261 Mill currently in the SB256 FY08 Supplemental Budget to accomplish this | Sec. 26 - Deleted |
| N/A | Uncodified Law <ul style="list-style-type: none"> • Moved to Sec. 2 of new CS | Sec. 27 - Modified |
| N/A | Uncodified Law <ul style="list-style-type: none"> • Removes uncodified law language dealing with elected officials "Catch up" provision | Sec. 28 - Deleted |
| Sec. 25 | Transitional Regulations <ul style="list-style-type: none"> • No change | Sec. 29 |

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| Bill Section | Change | Corresponding Bill Section |
| N/A | Revisor's Instructions & Conditional Lang <ul style="list-style-type: none">• These sections are no longer necessary due to the passage of SB 123 last session | Sec. 30 - 32 - Deleted |
| Sec. 26 - 27 | Effect Date Clauses <ul style="list-style-type: none">• Sec. 2 has immediate effective date• Rest of bill has July 1, 2008 (FY09) effective date | Sec. 33 - 34 - Modified |

Conference Committee on SB 125
February 20, 2008
HCS CS SB 125 (FIN)

- Substantive Changes Requiring Powers of Free Conference:
- Removing all references to SB 123 which become law June 7, 2007
Both bills made adjustments to retirement system statutes and were traveling in tandem last year. Since SB 123 become law and SB 125 didn't, contingent references to SB 123 need to be removed.
- Updated Effective Date Clauses as a result of one year delay
- Remove "Catch up" provision dealing with elected officials participating in the PERS Defined Benefit Plan. This provision is no longer necessary.
- Due to one-year delay, must reconfigure contribution rate percentages for employers in the "Hold Harmless" category (current actuary rates below 22%) and the "Heroes" category (contributed excess amounts into the unfunded liability during 2005-2007) lists, based on most latest actuary report (June 30, 2006 data) and current FY07 payroll data.
- Restate employers' salary base floor from FY07 to FY08
- Restate fiscal year effective dates.

ALASKA STATE LEGISLATURE



Official Business

February 20, 2008

The Honorable Lyda Green
President
Alaska State Senate
Juneau, Alaska

The Honorable John Harris
Speaker
House of Representatives
Juneau, Alaska

Dear Ms. President and Mr. Speaker,

The Conference Committee considering:

CS FOR SENATE BILL NO. 125(FIN)

"An Act relating to the accounting and payment of contributions under the retirement plans of the Public Employees' Retirement System of Alaska and the Teachers' Retirement System, to calculations of contributions under those retirement plans, and to participation in, and termination of and amendments to participation in, the defined benefit plans of those systems; relating to employer contributions to the health reimbursement arrangement plan; making conforming amendments; and providing for an effective date."

And

HOUSE CS FOR CS FOR SENATE BILL NO. 125(FIN)

"An Act relating to the accounting and payment of contributions under the retirement plans of the Public Employees' Retirement System of Alaska and the Teachers' Retirement System, to calculations of contributions under those retirement plans, and to participation in, and termination of and amendments to participation in, the defined benefit plans of those systems; relating to recovery of an award of damages or other recovery by those systems; relating to employer contributions to the health reimbursement arrangement plan; relating to participation in the public employees' defined contribution plan by certain elected officials; making conforming amendments; and providing for an effective date."

Has met and failed to reach agreement on SB 125, and furthermore feels that an agreement cannot be reached even with limited powers of free conference. Therefore, the Conference Committee on SB 125 respectfully requests that this Committee be discharged and a free conference committee be appointed.

SENATE MEMBERS:

Sen. Hoffman, Chair

Sen. Huggins

Sen. Bunde

HOUSE MEMBERS:

Rep. Meyer, Chair

Rep. Samuels

Rep. Kerttula



Official Business

Alaska State Senate

Conference Committee

On SB 125

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

February 20, 2008

The Honorable Lyda Green
President
Alaska State Senate
Juneau, Alaska

The Honorable John Harris
Speaker
House of Representatives
Juneau, Alaska

Dear Ms. President and Mr. Speaker,

The Conference Committee considering:

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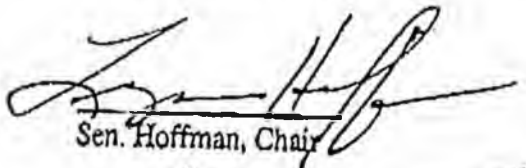
And

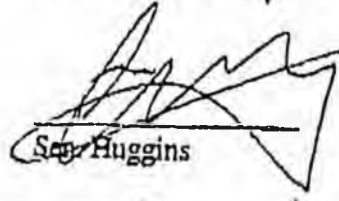
HOUSE CS FOR CS FOR SENATE BILL NO. 125(FIN)

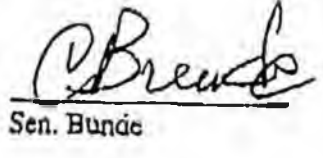
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Has met and failed to reach agreement on SB 125, and furthermore feels that an agreement cannot be reached even with limited powers of free conference. Therefore the Conference Committee on SB 125 respectfully requests that this Committee be discharged and a free conference committee be appointed.

SENATE MEMBERS:

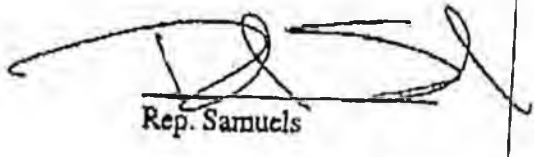

Sen. Hoffman, Chair

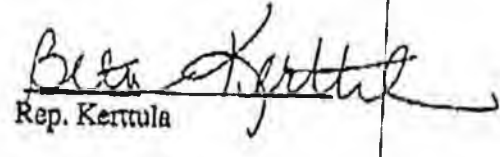

Sen. Huggins


Sen. Bunde

HOUSE MEMBERS:


Rep. Meyer, Chair


Rep. Samuels


Rep. Kertula

SENATE/HOUSE
CONFERENCE COMMITTEE
On SB 125
February 20, 2008
8:06 a.m.

CALL TO ORDER

Co-Chair Hoffman called the Conference Committee meeting to order at 8:06:34 AM.

MEMBERS PRESENT

Senator Lyman Hoffman, Chair
Senator Charlie Huggins
Senator Con Bunde

Representative Kevin Meyer, Chair
Representative Ralph Samuels
Representative Beth Kerttula

MEMBERS ABSENT

None

ALSO PRESENT

Annette Kreitzer, Commissioner, Department of Administration

PRESENT VIA TELECONFERENCE

None

SUMMARY

CSSB 125 (FIN)

"An Act relating to the accounting and payment of contributions under the retirement plans of the Public Employees' Retirement System of Alaska and the Teachers' Retirement System, to calculations of contributions under those retirement plans, and to participation in, and termination of and amendments to participation in, the defined benefit plans of those systems; relating to employer contributions to the health reimbursement arrangement plan; making conforming amendments; and providing for an effective date."

And

HCS CSSB 125 (FIN)

"An Act relating to the accounting and payment of contributions under the retirement plans of the Public Employees' Retirement System of Alaska and the Teachers' Retirement System, to calculations of

contributions under those retirement plans, and to participation in, and termination of and amendments to participation in, the defined benefit plans of those systems; relating to recovery of an award of damages or other recovery by those systems; relating to employer contributions to the health reimbursement arrangement plan; relating to participation in the public employees' defined contribution plan by certain elected officials; making conforming amendments; and providing for an effective date."

Co-Chair Hoffman noted that the two versions of SB 125 were before the Committee. He observed that that there were some minor changes that could be made under limited powers of free conference, but he recommended that a Free Conference Committee make these changes in order to expedite the passage of SB 125.

8:07:52 AM

ANNETTE KREITZER, COMMISSIONER, DEPARTMENT OF ADMINISTRATION, explained that the SB 123 technical amendments were passed. Sections from SB 123 were inserted into SB 125:

- Substantive Changes Requiring Powers of Free Conference:
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- Due to one-year delay, must reconfigure contribution rate percentages for employers in the "Hold Harmless" category (current actuary rates below 22%) and the "Heroes" category (contributed excess amounts into the unfunded liability during 2005-2007) lists, based on the latest actuary report (June 30, 2006 data) and current FY07 payroll data.
- Restate employers' salary base floor from FY07 to FY08

- Restate fiscal year effective dates.

8:09:34 AM

Co-Chair Hoffman related that it was his belief that this committee cannot reach agreement on the provisions of SB 125, without limited powers of free conference. Therefore, I would like to entertain a motion that we sign a letter addressed to the Speaker of the House of Representatives and the President of the Senate requesting that the Conference Committee on SB 125 be discharged and a free conference committee be appointed.

Senator Huggins MOVED to ADOPT a letter addressed to the Speaker of the House of Representatives and the President of the Senate requesting that the Conference Committee on SB 125 be discharged and a free conference committee be appointed.

There being NO OBJECTION, it was so ordered.

Senator Bunde questioned how action on pension obligation bonds would affect SB 125. Ms. Kreitzer did not think they would affect SB 125.

ADJOURNMENT

The meeting was adjourned at 8:11 AM.

Conference Committee on SB 125
February 20, 2008
HCS CS SB 125 (FIN)

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